

This document provides an introduction to the Federal Perkins Loan (Perkins Loan) Program assignment process as well as how and when to liquidate the Perkins Loan Program fund at your school. Schools must refer to the Federal Perkins Loan Liquidation Procedures and Federal Perkins Loan Assignment Procedures for complete guidance about each specific process. As a reminder, a school may assign any defaulted loan at any time throughout the year.

When does a school assign its Perkins Loans to the Department of Education (the Department)?

Perkins Loans must be assigned to the Department:

- when a determination has been made that the borrower is eligible for a total and permanent disability discharge; or
- when a school is liquidating its Perkins Loan portfolio.

A school assigns Perkins Loans to the Department by following the guidance and procedures included in the [Federal Perkins Loan Assignment Procedures](#).

When must a school liquidate its Perkins Loan Portfolio and Perkins Loan Revolving Fund?

A school must liquidate its Perkins Loan Revolving Fund and its Perkins Loan Portfolio, when the school:

- voluntarily withdraws from the Perkins Loan Program;
- has had its eligibility to participate in the Perkins Loan Program terminated by the Department;
- has not been approved by the Department for continued participation in the Title IV programs during the school's recertification process; or
- is closing.

A school is urged to liquidate its Perkins Loan Revolving Fund and its Perkins Loan Portfolio if it is no longer advancing Perkins Loan funds to students.

How long does it take to liquidate the Perkins Loan Portfolio and Perkins Loan Revolving Fund?

It depends on the following:

- size of the outstanding portfolio to assign;
- if any reconciliation is required between the Fiscal Operations Report (FISAP) data and the National Student Loan Data System (NSLDS) data; and
- when a school begins the process.

At a minimum it can take 180 days, but it should not take a school longer than 240 days to assign all its loans, update NSLDS, complete a final audit, and return the federal share of remaining funds. Depending upon the timing of when a school enters liquidation, it may take a year to submit a final FISAP and receive the official closeout letter.



The process of liquidating a school's Perkins Loan portfolio includes a review of the outstanding Perkins Loans to determine if the loans have been maintained and administered properly so they can be assigned to the Department. This process also includes liquidating the funds in the Perkins Loan portfolio and accounting for any Perkins Loans that could not be assigned to the Department. A school's Perkins Loan portfolio is not considered liquidated until an official letter of completion has been received from the Department. Please follow the guidance and procedures included in the [Federal Perkins Loan Liquidation Procedures](#).

Contact

If you have specific questions pertaining to the procedures for assignment of loans to the Department; or if it has been more than 60 days and you have questions pertaining to the status of your assignment submissions; or if you have questions pertaining to the correction of rejected submissions, you can contact the Perkins Loan Assignments Processing Division at (415) 486-5655 or by e-mailing PerkinsLoanAssignments@ed.gov. If you contact the Processing Division at the above number, you will be instructed to leave a detailed message. Due to periods of high call volume, contacting the Processing Division at PerkinsLoanAssignments@ed.gov may expedite a faster response. Be sure to safeguard any student borrower information when sending files by encrypting the file prior to attaching and sending.

If you have questions about the information provided in this letter, contact the Campus-Based Call Center at (877) 801-7168. Customer service representatives are available Monday through Friday from 8:00 A.M. until 8:00 P.M. (ET). You may also e-mail CBFOB@ED.GOV.